

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

MEMORANDUM

TO: Taunton Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2016
DATE: December 1, 2014

Required Fiscal Year 2016 Appropriation: **\$14,943,906**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2016 which commences July 1, 2015.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2016 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Sherman Actuarial Services as part of their January 1, 2014 actuarial valuation.

The current schedule is/was due to be updated by Fiscal Year 2017.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

Attachments

cc: Office of the Mayor
City Council
c/o City Clerk



Taunton Retirement Board

Projected Appropriations

Fiscal Year 2016 - July 1, 2015 to June 30, 2016

Aggregate amount of appropriation: **\$14,943,906**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2016	\$17,663,635	\$14,598,585	\$345,321	\$14,943,906	\$14,943,906	\$0	\$2,719,729
FY 2017	\$18,379,486	\$15,004,204	\$360,861	\$15,365,065	\$15,365,065	\$0	\$3,014,421
FY 2018	\$19,123,657	\$15,617,672	\$377,100	\$15,994,772	\$15,994,772	\$0	\$3,128,885
FY 2019	\$19,897,269	\$16,255,969	\$394,069	\$16,650,038	\$16,650,038	\$0	\$3,247,231
FY 2020	\$20,701,485	\$16,920,086	\$411,802	\$17,331,888	\$17,331,888	\$0	\$3,369,597

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

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Breakouts

	Non-Light							Nursing		
	<u>Subtotal</u>	<u>Total</u>	<u>City</u>	<u>GATRA</u>	<u>Landfill</u>	<u>Sewer</u>	<u>Water</u>	<u>Home</u>	<u>Light</u>	<u>Housing</u>
(1) Participants										
(a) Actives	923	1,069	756	17	1	0	32	83	146	34
(b) Inactives	202	209	114	0	0	0	1	81	7	6
(c) Retirees and Beneficiaries	576	714	507	3	0	9	23	19	138	15
(e) Disabled Retirees	<u>75</u>	<u>92</u>	<u>59</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>17</u>	<u>1</u>
(f) Total	1,776	2,084	1,436	20	1	12	59	192	308	56
(2) Payroll of Active Participants	42,288,522	55,498,644	35,324,266	769,679	66,676	0	1,437,974	2,648,119	13,210,122	2,041,808
Percent of Total Payroll	76.20%	100.00%	63.65%	1.39%	0.12%	0.00%	2.59%	4.77%	23.80%	3.68%
(3) Normal Cost										
(a) Total Normal Cost	5,818,251	7,701,388	4,985,533	91,110	5,695	0	147,089	376,719	1,883,137	212,105
(b) Expected Employee Contributions	3,646,381	4,815,844	3,042,196	66,900	6,367	0	118,822	227,611	1,169,463	184,485
(c) Administrative Expenses	<u>317,274</u>	<u>435,000</u>	<u>280,708</u>	<u>2,611</u>	<u>192</u>	<u>2,061</u>	<u>11,940</u>	<u>10,689</u>	<u>117,726</u>	<u>9,073</u>
(d) Net Employer Normal Cost (a) - (b) + (c)	2,489,144	3,320,544	2,224,045	26,821	-480	2,061	40,207	159,797	831,400	36,693
(4) Actuarial Accrued Liability	266,165,419	364,926,837	235,489,044	2,190,541	161,152	1,729,175	10,016,639	8,967,097	98,761,418	7,611,770
(5) Assets*	<u>174,706,124</u>	<u>239,531,317</u>	<u>154,570,712</u>	<u>1,437,831</u>	<u>105,777</u>	<u>1,134,999</u>	<u>6,574,739</u>	<u>5,885,839</u>	<u>64,825,193</u>	<u>4,996,227</u>
(6) Unfunded Actuarial Accrued Liability (4) - (5)	91,459,295	125,395,520	80,918,332	752,710	55,375	594,176	3,441,900	3,081,258	33,936,225	2,615,543
(7) Amortizations										
(a) Unfunded Actuarial Accrued Liability	7,399,111	10,144,572	6,546,341	60,895	4,480	48,069	278,452	249,276	2,745,461	211,599
(b) Early Retirement Incentive	173,768	198,276	86,623	0	0	18,213	34,646	7,485	24,507	26,803
(c) Holiday	98,524	132,178	90,425	0	52	879	3,901	3,266	33,654	0
(8) Total Required Employer Contributions (3d) + (7)	10,160,548	13,795,569	8,947,434	87,716	4,052	69,222	357,205	419,824	3,635,022	275,095
(9) Fiscal 2015 Cost	10,896,961	14,753,156	9,626,236	94,741	3,640	91,540	379,251	439,270	3,856,195	262,283
Percentage of total	73.86%	100.00%	65.25%	0.64%	0.02%	0.62%	2.57%	2.98%	26.14%	1.78%
(10) Fiscal 2016 Cost	11,002,582	14,943,906	9,730,125	96,910	4,081	62,939	361,473	467,651	3,941,324	279,403
Percentage of total	73.63%	100.00%	65.11%	0.65%	0.03%	0.42%	2.42%	3.13%	26.37%	1.87%
(11) Fiscal 2017 Cost	11,313,020	15,365,065	10,004,141	99,621	4,194	64,860	371,884	480,919	4,052,045	287,400
(12) Fiscal 2018 Cost	11,775,650	15,994,772	10,412,760	103,586	4,397	67,779	388,014	499,371	4,219,122	299,742
(13) Fiscal 2019 Cost	12,257,007	16,650,037	10,837,895	107,707	4,610	70,829	404,843	518,510	4,393,030	312,613
(14) Fiscal 2020 Cost	12,757,841	17,331,888	11,280,208	111,988	4,833	74,017	422,400	538,360	4,574,046	326,036